



House of Representatives

General Assembly

File No. 347

February Session, 2014

Substitute House Bill No. 5410

House of Representatives, April 3, 2014

The Committee on Energy and Technology reported through REP. REED of the 102nd Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING LOST AND UNACCOUNTED FOR GAS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage*) The Public Utilities
2 Regulatory Authority may initiate a docket to investigate the lost and
3 unaccounted for gas of a gas company, as defined in section 16-1 of the
4 general statutes. In such docket, the authority may establish a cost
5 mechanism to incentivize a gas company to (1) reduce lost and
6 unaccounted for gas, (2) replace aging infrastructure, and (3) comply
7 with any additional requirements the authority determines to be
8 relevant. Such cost mechanism may be incorporated in the purchased
9 gas adjustment clause, pursuant to section 16-19b of the general
10 statutes.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>from passage</i>	New section
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Statement of Legislative Commissioners:

In the last sentence of section 1, the word "clause" was added for statutory consistency.

ET *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which requires the Public Utilities Regulatory Authority (PURA) to initiate a docket to investigate the lost and unaccounted for gas of a gas company, has no fiscal impact.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5410*****AN ACT CONCERNING LOST AND UNACCOUNTED FOR GAS.*****SUMMARY:**

This bill allows the Public Utilities Regulatory Authority (PURA) to initiate a proceeding to investigate a gas company's lost and unaccounted for gas. In general, lost and unaccounted for gas is the difference between the amount of gas that enters a gas company's distribution system and the amount actually delivered to the company's customers.

The bill allows PURA to establish a cost mechanism in the proceeding that encourages a gas company to (1) reduce lost and unaccounted for gas, (2) replace aging infrastructure, and (3) comply with any additional requirements PURA deems relevant. This cost mechanism can be incorporated in the company's purchased gas adjustment clause, which adjusts the company's rates between general rate cases to account for changes in the cost of purchased gas.

EFFECTIVE DATE: Upon passage

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 23 Nay 0 (03/18/2014)